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DATA SUPPLEMENT
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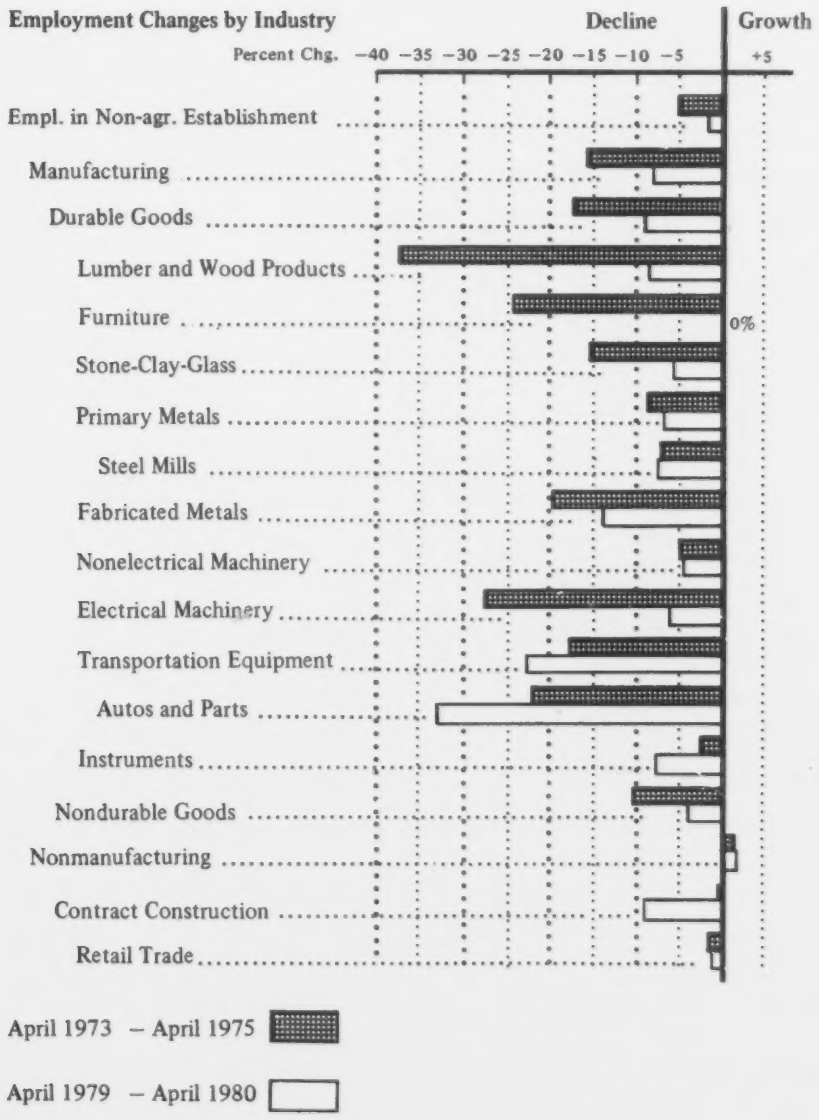
HOW DEEP A RECESSION?



There is a good deal of talk that the recession of 1980 will be worse than the 1974-75 decline. The accompanying chart indicates the percentage change in selected employment groups for the two periods. A precise description of the influence of a recession requires estimating what employment would have been if not for the recession. In effect, to measure the impact of the recession it is necessary to identify not only the change that takes place in employment but also the change from what might have been expected given national and state trends in employment for each industry. Such measures are necessarily speculative and are not entertained here.

In the last recession, between April 1973 and April 1975, wage and salary employment in Indiana nonagricultural establishments declined by 4.9 percent; between April 1979 and April 1980 the decline has been 1.4 percent. By this measure one could say that the current decline is less than one-third as severe as the earlier recession. There is, however, little reason to expect that the current economic problems of the state and nation will parallel the recession of the mid-seventies. In Indiana's steel mills the decline in employment already exceeds the percentage decline of the previous downturn. In auto and parts manufacture, employment has dropped more than 33 percent in the past year; in the preceding recession the decline was 22 percent over two years.

(continued on page 2)

This issue was prepared by Morton J. Marcus, research economist; Sue Mueller and Louis West, research assistants; Roberta Berry, editor; Karen Scott, typesetter; and Robert Wagner, artist.

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(continued from page 1)

Nonmanufacturing employment continues to grow. In the past year the gain has been 1.7 percent compared with 1.5 percent in the two years of the last recession. One can argue that the full impact of the recession has yet to hit nonmanufacturing and that this superior growth is illusory.

It is likely that direct comparison of the two periods will prove unwarranted. In the 1974-75 recession the automotive component of employment moved more in phase with the rest of the economy. This current downturn is led by the automotive sector. In April 1979 this sector was already in decline.

The data for April 1980 do show improvement in some measures for the industry in Indiana. For example, average weekly hours of those at work in the auto industry was higher this year in April than one year ago. The manufacturing sector in general showed what may be early weak signs of improvement.

The data, however, are far from complete. The April 1980 numbers indicate continued weakness in the economy of the state with widespread declines in employment and hours in most sectors from what might be expected for April. Normally, indicators for April show seasonal improvements from March. This April the general trend was on the downside in most industry groups for the state. From the record of the previous recession further deterioration in employment may be expected although differences in the pattern of decline do not assure that comparable conditions will prevail. Current data do point to a widespread recession, but how long the decline will persist remains conjecture.

MJM

CORRECTION TO OUR MAY 1980 ISSUE

The first two column headings for the county tables on pages 2 and 3 were reversed. The first column heading should have been *Labor and Proprietors Income*. Figures given were in **millions** of dollars. The second column heading should have been *Percent of State Total*. The final column heading should have been *State and Local Government*.

Figures for Indiana are as follows:

	Labor and Proprietors Income ($ mil.)	*Percent of State Total*	*Percent of Labor and Proprietors Income*								
			Farming	*Mining*	*Manufacturing*	*Contract Construction*	*Wholesale and Retail Trade*	*Insurance and Real Estate*	*Transportation Communications and Public Utilities*	*Services*	*State and Local Government*
Indiana	33,132.0	100.0	2.4	0.6	41.9	6.0	14.7	4.2	6.7	11.9	8.8

For lack of space, figures from the following sectors were not included in our ninety-two county report: Other Industry, Federal Civilian Government, and Federal Military Government.

AFFILIATE STATE DATA CENTERS

Among the objectives of the Indiana State Data Center are improved access to and use of statistical data products available from the Census Bureau and other sources. To assist in providing these services Affiliate Data Centers have been established at the local level. The Affiliate network consists of public libraries, Area Library Service Authorities, and regional planning organizations located throughout the state who:

–Maintain a collection of Census Bureau reference and statistical publications that is accessible to the public.

–Provide assistance in the location and use of requested data;

–Sponsor local seminars on statistical resources;

–Serve as a clearinghouse, referring inquiries to the Indiana State Data Center or other appropriate organizations when necessary.

A list of current participants in the Affiliate Data Center Program will be run in the next issue of the *Data Supplement*.

UNITED STATES BUSINESS INDICATORS

Quarterly Data

	Seasonally Adjusted at Annual Rates ($ billions)				*Percentage Change at Annual Rates*			
	Latest Quarter		*Previous Quarter*	*One Year Ago*	*Latest Quarter*		*Previous Quarter*	*One Year Ago*
Gross national product (GNP)	1980:1	2,516.1	2,456.9	2,292.1	1980:1	10.0	10.5	10.6
GNP ($1972)	1980:1	1,442.6	1,440.3	1,430.6	1980:1	0.6	2.0	1.1
GNP potential level ($1972)	1980:1	1,483.8	1,474.7	1,447.6	1980:1	2.5	2.5	2.5
Government purchases	1980:1	517.4	501.2	460.1	1980:1	13.6	21.1	5.7
Personal consumption expenditures	1980:1	1,628.7	1,580.4	1,454.2	1980:1	12.8	14.3	11.4
Private domestic investment	1980:1	384.0	387.2	373.8	1980:1	– 3.3	– 5.1	3.6
Corporate profits before tax	1980:1	257.1	243.0	233.3	1980:1	25.3	1.2	10.8
Change in business inventories	1980:1	4.5	5.6	19.1	1980:1	–	–	–
Federal surplus–deficit (NIA)	1980:1	– 21.6	– 15.7	–11.7	1980:1	–	–	–

UNITED STATES BUSINESS INDICATORS (continued)

Monthly Data

	Current Levels or Annual Rates				Percentage Change at Annual Rates			
	Latest Month		Previous Month	One Year Ago	Latest Month		Previous Month	One Year Ago
All urban consumer price index[1]	Apr.	242.6	240.4	211.8	Apr.	11.6	18.6	12.1
All Urban CPI–food[1]	Apr.	248.4	247.1	232.0	Apr.	6.5	12.4	7.5
Producer price index[1]*	Apr.	262.3	261.5	230.0	Apr.	3.7	8.1	18.9
Money Supply[2]†	Apr.	387.6	392.4	369.7	Apr.	–13.7	– 1.2	20.9
Money supply plus time deposits[2]‡	Apr.	1,547.4	1,551.0	1,440.2	Apr.	– 2.8	3.5	13.2
Mobile home shipments[3]	Mar.	226.0	270.0	273.0	Mar.	–88.2	–23.2	–12.3
Mortgages–outstanding[4]	Feb.	477.3	476.4	437.8	Feb.	2.1	1.7	7.0
Mortgages–new issues[4]	Feb.	51.0	49.4	68.3	–	–	–	–
Mortgage rate–new issues[5]	Apr.	13.0	12.6	10.4	–	–	–	–
Prime rate business loans[5]	Apr.	19.8	18.3	11.8	–	–	–	–

[1] Base period: 1967 = 100
[2] $ billions
[3] Thousands of units
[4] $ billions, all savings and loan associations
[5] Percent

*Not seasonally adjusted
†**Money supply** is now the recently created Money 1B series
‡**Money supply** plus time deposits is now the recently revised Money 2 series.

UNITED STATES–INDIANA BUSINESS INDICATORS*

(Seasonally adjusted indexes unless otherwise noted; base period: 1967 = 100)

	United States				Indiana			
	Latest Month		Previous Month	One Year Ago	Latest Month		Previous Month	One Year Ago
EMPLOYMENT								
Nonagricultural employment	Apr.	137.3	138.0	135.3	Apr.	125.4	126.1	125.9
Manufacturing employment	Apr.	106.0	107.4	108.3	Apr.	96.7	98.4	104.5
Average weekly hours (no.)†	Apr.	39.4	39.8	38.9	Apr.	39.4	39.9	39.3
Average weekly earnings ($)†	Apr.	278.56	280.99	254.41	Apr.	327.02	329.18	299.47
Nonmanufacturing employment	Apr.	150.5	150.8	146.6	Apr.	144.3	144.7	141.8
Unemployment rate (%)	Apr.	7.0	6.2	5.8	Apr.	9.1	8.5	5.5
Unemployment–married males (%)	Apr.	4.1	3.4	2.7	–	–	–	–
Continued unemployment claims	–	–	–	–	Apr.	405.1	293.5	179.8
PRODUCTION								
Bituminous coal production	Mar.	149.1	148.0	138.8	–	–	–	–
Industrial electricity production	Jan.	155.0	153.1	156.9	–	–	–	–
Industrial electricity sales	–	–	–	–	Apr.	160.5	159.8	175.7
Manufacturing production	Apr.	148.6	151.7	151.6	Apr.	149.7	147.8	156.6
Raw steel production	Apr.	95.0	101.5	107.8	Apr.	118.3	138.3	141.4
CONSTRUCTION								
Construction activity–total	Mar.	295.7	313.9	279.7	Apr.	158.1	213.6	437.9
Residential housing starts	Apr.	79.3	81.0	136.2	Apr.	61.0	71.6	117.8
Residential expenditures	Mar.	353.4	384.9	380.0	Apr.	58.2	131.9	395.0
Public expenditures	Mar.	267.5	279.2	230.8	Apr.	202.0	211.7	182.8
Public works and utilities	Mar.	205.0	219.8	171.5	–	–	–	–
	–	–	–	–	Apr.	167.4	243.1	892.2
OTHER INDICATORS								
Personal income per capita ($)	Feb.	9,259.4	9,244.0	8,417.3	1979:3	8,595.0	8,428.0	7,774.0
Passenger car sales (thousands)†	Apr.	743.0	895.0	988.0	Mar.	18.8	17.4	26.9
Year to date (thousands)	Apr.	3,256.0	2,513.0	3,729.0	Mar.	53.7	34.9	63.0

*Current indicators are preliminary and subject to revision
†Not seasonally adjusted

SOURCES: Data on Indiana construction from McGraw-Hill Information Systems Company; Indiana passenger car registration from R. L. Polk & Co.; indexes of raw steel production for the United States and Indiana courtesy of American Iron and Steel Institute, Washington, D.C.; all other data from U.S. and Indiana government agencies and Division of Research, School of Business, Indiana University.

INDIANA LOCAL INDICATORS
(Seasonally adjusted indexes; base period: 1967 = 100)

	Continued Unemployment Claims			*Industrial Electricity Sales*		
Reporting Cities	*Apr. 1980*	*Mar. 1980*	*Apr. 1979*	*Apr. 1980*	*Mar. 1980*	*Apr. 1979*
Anderson	701.9	551.7	158.5	140.9	143.4	107.1
Bedford	159.7	149.6	109.2	244.8	253.5	259.4
Bloomington	302.3	192.9	195.4	88.9	90.5	85.7
Columbus	374.2	247.0	84.8	160.6	179.2	166.2
Connersville	224.3	290.6	128.2	131.9	122.3	141.9
Crawfordsville	1,082.7	890.7	569.4	194.1	217.0	225.9
East Chicago	374.3	316.3	142.5	83.7	84.0	87.3
Elkhart	822.5	584.4	340.1	174.7	153.5	164.9
Evansville	191.7	157.7	111.4	144.4	175.0	142.7
Fort Wayne	410.0	314.2	109.4	97.3	91.0	116.1
Frankfort	786.9	922.6	438.2	170.4	171.3	171.5
Gary	170.5	161.9	81.4	149.6	157.7	178.0
Goshen	–	–	–	213.2	211.5	226.1
Hammond*	–	–	–	210.4	211.8	215.9
Huntington	774.4	518.9	235.0	135.4	193.5	149.1
Indianapolis	79.5	68.1	53.5	139.5	155.1	154.5
Jeffersonville	–	–	–	169.2	179.4	167.9
Kokomo	613.7	552.5	202.9	159.4	191.1	197.0
Lafayette	584.4	443.7	291.9	270.2	270.2	244.9
LaPorte	383.1	364.1	277.3	199.7	206.9	210.5
Logansport	221.1	232.0	109.4	209.0	240.4	220.2
Madison	476.8	417.3	283.0	144.3	151.8	146.8
Marion	571.2	331.5	214.7	106.5	111.7	114.3
Michigan City	393.6	312.6	139.8	777.4	870.0	209.3
Muncie	186.7	177.5	98.9	99.9	101.6	112.1
New Albany	545.8	465.0	335.5	116.7	120.8	121.8
New Castle	469.4	479.2	531.4	108.8	101.6	165.0
Peru	283.5	237.2	98.5	230.7	244.3	248.5
Richmond	413.4	335.6	235.9	131.0	131.1	133.9
Seymour	564.6	435.3	118.9	164.3	164.3	164.0
South Bend	393.9	364.1	173.7	126.1	127.8	128.5
Terre Haute	280.6	288.2	203.8	215.3	214.8	202.1
Valparaiso	–	–	–	205.5	207.8	203.1
Vincennes	265.6	161.1	124.9	109.5	90.0	144.7
Wabash	364.8	267.7	209.0	164.6	170.8	181.5

*Contined unemployment claims of East Chicago and Hammond are combined.

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